DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
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December 11, 2008

To: CSBG Service Providers

Subject: **2008/2009 Community Services Block Grant (CSBG) Contract
            Amendment No. 2**

Enclosed is your agency's 2008/2009 Community Services Block Grant (CSBG)
contract Amendment No. 2, and authorized initial allocation for the 2009 CSBG
Program Year (second program year).

Continuing Resolution for Authorized Allocation

Currently the CSBG Program is operating under a continuing resolution through March
6, 2009, which maintains funding at the same level of funds as in FY 2008. CSD's first
Notice of Grant Award is for $14,494,168 and the award letters are distributed by the
Department of Health and Human Services (DHHS) on a quarterly basis. Attached is a
spreadsheet showing the program year 2009, CSBG estimated and actual allocation.
Complete your contract fiscal data budget forms using the amount listed under the 2009
allocation, (estimated for budgeting) column.

2009 Advance Payment

Upon execution of the 2009 Contract Amendment No. 2, an advance payment will be
processed and sent to each Contractor. The amount of the advance, in accordance
with State statue, will be 25% of the contract amount. (See attached spreadsheet
column titled 2009 Advance Based on Actual). The State is unable to encumber or
contractually obligate more funds than the federal government awards.

Historically, the federal government does not issue final grant awards until the second
quarter of the federal fiscal year and issues only continuing resolutions until the final
federal budget is signed. The initial contracts reflect the total allocation based on the
grant award received by the State. When CSD is in receipt of the final grant award, the
contract will be amended to include the final allocation and the balance of the advance
(not to exceed 25% of the total second program year allocation) will be processed and
forwarded to Contractors.

CSD encourages each Contractor to review the amended contract language in its entirety. The changes are summarized below:

Exhibit A, Scope of Work, Attachment III
- The current United States Department of Health & Human Services, Administration for Children and Families, CSBG fiscal year 2009 terms and conditions is attached (Attachment II) and incorporated by reference. Please make note of the applicable provisions that apply to the Second Program Year Funding.

Exhibit D, Special Terms and Conditions, Attachment IV
- Language was added incorporating Management Memo 08-11 issued by the Office of Information Security and Privacy Protection. This memo provides the policy and directions to be followed on safeguarding against and responding to a breach of security involving personal information.

Exhibit D, Special Terms and Conditions, 6. Audit Reports
- Language was added specifying that the audit report must contain a description of the methodology used to allocate and claim indirect costs and any administrative cost pools and the report must mention that a review for compliance with OMB Circulars A-87 was conducted. The updated 2009 Supplemental Audit Guide is incorporated to provide detailed instructions.

Exhibit D, Special Terms and Conditions, 7. Auditing Standards
- Language was added to include the 2009 Supplemental Audit Guide. The updated 2009 Supplemental Audit Guide in incorporated to provide detailed instructions and is located in Attachment V.

Exhibit D, Special Terms and Conditions, 13. Board Roster, By-Laws, Resolution and Minutes
- Language was added to ensure Contractors submit to CSD a current tripartite board roster, including the name and sector (i.e., low –income, public, private) of each board member.

Please contact Leslie Taylor at (916) 341-4284 or ltaylor@csd.ca.gov with any questions regarding your 2008/09 CSBG Contract Amendment No. 2.

Sincerely,

LLOYD THRONE
Director